Senate Bill No. 1746

CHAPTER 849

An act to amend Section 1373.65 of the Health and Safety Code, relating to health care service plans.

[Approved by Governor September 28, 2000. Filed with Secretary of State September 29, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1746, Figueroa. Health care service plans: termination of provider: notification: enrollee.

Existing law provides for the regulation and licensing of health care service plans by the Department of Managed Care. A willful violation of the provisions governing health care service plans is a crime.

Existing law requires a health care service plan 30 days prior to termination of a contract with a medical group or individual practice association to provide affected enrollees with a written notice of the change. Existing law permits the plan when terminating a contractual arrangement with an individual provider within a medical group or individual practice association to have that group or association notify the enrollees who are patients of that provider.

This bill would specify the method for delivering written notice, and the procedure to follow if the written notice is returned as undeliverable. The bill would require the notice to provide instructions for enrollees to choose a new ''primary care provider'' and would define that term. The bill would permit an enrollee to self-refer under specified conditions. The bill would exempt from these requirements a health care service plan contract that provides benefits through preferred provider contractual arrangements, if the plan does not require the enrollee to choose a primary care provider.

Because a violation of this bill's requirements with respect to a health care service plan would be a crime, this bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 1373.65 of the Health and Safety Code is amended to read:

1373.65. (a) (1) Thirty days prior to a plan terminating, for any reason, a contract with a medical group, individual practice association, or primary care provider, the plan shall provide written notice of the termination to enrollees who are at that time receiving a course of treatment from a provider of that medical group, individual practice association, or primary care provider, or are designated as having selected that medical group, individual practice association, or primary care provider for their care. The notice shall include instructions on selecting a new primary care provider.

(2) If a plan without advance notice to a primary care provider terminates the primary care provider because of his or her endangering the health and safety of patients, committing criminal or fraudulent acts, or engaging in grossly unprofessional conduct, the notice requirement of paragraph (1) is not applicable. Instead, the plan within 30 days of having terminated the primary care provider shall provide written notice of the termination to the enrollees who have selected that primary care provider.

(b) When a plan terminates a contractual arrangement with an individual provider within a medical group or individual practice association, the plan may request that the medical group or individual practice association notify the enrollees who are patients of that provider of the termination.

(c) A plan shall disclose the reasons for the termination of a contract with a provider to the provider only when the termination occurs during the contract year.

(d) Notwithstanding subdivision (c), whenever a plan indicates that a provider's contract is being terminated for quality of care reasons, it shall state specifically what those reasons are.

(e) A plan that relies on primary care providers shall have a process in place to assure that patients who do not have a primary care provider have access to medical care, including specialists.

(f) If an enrollee has not been notified pursuant to subdivision (a) that his or her primary care provider has ceased to be affiliated with the enrollee's plan, the enrollee is not required to have the approval of a primary care provider to authorize a referral within the plan. All self-referrals within the plan shall be approved for a period of 60 days from the date of the termination of the enrollee's primary care provider or until a primary care provider is assigned or chosen, whichever is earlier.

This subdivision does not apply if the enrollee's plan utilizes a process for automatically assigning enrollees a primary care provider, or if the enrollee otherwise has direct access to a primary care provider.

A plan may not retroactively assign an enrollee to a new primary care provider to avoid financial responsibility for any enrollee self-referrals due to a failure to notify the enrollee pursuant to subdivision (a).

(g) All notifications required by this section shall be by United States mail. If the notice to the enrollee is returned as undeliverable, the plan shall make a good faith effort to notify the enrollee at the first appropriate contact with the plan.

(h) (1) For purposes of this section, ‘‘primary care provider’’ means a primary care physician, as defined in Section 14254 of the Welfare and Institutions Code, who provides care for the majority of an enrollee’s health care problems, including, but not limited to, preventive services, acute and chronic conditions, and psychosocial issues.

(2) For purposes of this section, if a specialist meets the criteria of paragraph (1), he or she may be a primary care provider for an enrollee.

(i) This section is not applicable to a health care service plan contract that provides benefits to enrollees through preferred provider contracting arrangements if the plan does not require the enrollee to choose a primary care provider.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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